DOCUMENT RESUME

ED 067 056 HE 003 372

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TITLE	The Changing Federal Role in Higher Education.
PUB DATE	11 Jul 72
NOTE	17p.; Speech presented at the Annual Convention of the National Association of College and University Business Officers, Denver, July 11, 1972
EDRS PRICE	MF-$0.65 HC-$3.29
DESCRIPTORS	Educational Finance; *Educational Improvement; Educational Opportunities; *Federal Aid; *Federal Legislation; *Financial Support; *Higher Education

ABSTRACT

The recently passed Education Amendments of 1972 authorize large amounts of money to support projects designed by educational institutions themselves for the following purposes: (1) encouraging the reform, innovation, and improvement of postsecondary education, and providing equal educational opportunity for all; (2) the creation of institutions and programs involving new paths to career and professional training, and new combinations of academic and experimental learning; (3) the establishment of institutions and programs based on the technology of communications; (4) the carrying out in postsecondary educational institutions of changes in internal structure and operations designed to clarify institutional priorities and purposes; (5) the design and introduction of cost-effective methods of instruction and operation; (6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering institutions and pursuing programs of study tailored to individual needs; (7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties; and (8) the creation of new institutions and programs for examining and awarding credentials to individuals, and the introduction of reforms in current institutional practices related thereto. (Author/HS)

ED 067056

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THE CHANGING FEDERAL ROLE IN HIGHER EDUCATION

By

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This is a particularly timely occasion to discuss the changing Federal role in higher education, because one of those landmark events has just occurred which will surely bring about profound change in the years ahead.

A new era is dawning for higher education, and its beginning can be fixed as June 23, 1972, the date the enactment of the Education Amendments of 1972. We can state with certainty that this new law embodies the most comprehensive higher education legislation in the history of this country. Not only does it extend and amend the existing legislative authority, it establishes major new dimensions of Federal concern and broad new relationships with postsecondary institutions.

It is too early to predict how the new law will affect the course of education. Even in the short run, its fiscal impact on institutions cannot be guessed because neither the Administration nor the Congress has had time to translate its authorizations into appropriations. It will be weeks before first-year funding has been voted. It will be months, possibly years, before the provisions of the act are fully implemented. Its full significance may not become apparent for decades.

It is not too early, however, to discuss the implications of the new law with this association whose members and their institutions have such a vital stake in its provisions.

Address at Annual Convention of National Association of College and University Business Officers, Denver, Colorado, July 11, 1972.

HE 003 372

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First, I will briefly review the highlights of the law, because many of its important provisions have received relatively little public notice compared to the controversial sections dealing with the busing of pupils in elementary and secondary schools. Some of the press accounts, headlined "Congress Passes Anti-Busing Bill," and "President Signs Busing Measure," gave little indication that the bill was essentially higher education legislation of great scope and magnitude, the product of 27 months of discussion between the Administration and the Congress.

Second, I intend to explore what some of the new programs authorized may mean for the future of higher education, and of our society. What the bill provides, I will suggest, is a more rational structure for Federal assistance, and a long step toward a coherent national strategy for higher education.

To begin, then, with the bill itself. I have already described it as the most comprehensive higher education bill in history. I should also note that it is historic in other major respects. It provides authority for an unprecedented new research effort intended to revitalize our entire educational system. It also contains broad authority to make Federal assistance available for the first time to encourage the elimination, reduction, or prevention of racial isolation in public schools throughout the Nation. Thus, in one bill, Congress adopted all of the major education proposals President Nixon made in the spring of 1970.

What I want to emphasize here is the way the new law responds to three of the President's specific recommendations:

-- In March, 1970, he stated: "no qualified student who wants to go to college should be barred by lack of money". The major reforms in Federal student assistance programs which he proposed to achieve this goal are embodied in the bill.

-- In the same message, the President declared that equalizing opportunity was more than a matter of access: that the time had come for a new national commitment to reform and innovation in higher education. The bill accepts that commitment.

-- In another message in March 1970, the President said that all of American education is in urgent need of reform. To this end, he proposed that Congress create a National Institute to launch a systematic national research effort to deal with basic educational problems. This Institute is established by the new law.

*** Student Aid ***

In his 1970 message on higher education, the President asked that aid to students enrolled in postsecondary institutions be expanded and redirected to assure that every student would be eligible for a combination of Federal grants and subsidized loans sufficient to make up the difference between their college costs and what their families were able to contribute. These provisions were aimed at closing the cost gap for low and moderate income families so that their children could have the same opportunities for a postsecondary education as those enjoyed by higher income families. Congress has in large part provided that opportunity, through a new program of basic grants and supplemental aid from the existing Educational Opportunity Grant,

College Work Study, and National Defense and Guaranteed Student Loan programs.

The President also asked for the establishment of a secondary market, much like the Federal National Mortgage Association, so that educational and financial institutions could make loans under attractive terms more readily available to the large number of students who can demonstrate need, to finance their education. Congress responded by creating the Student Loan Marketing Association to buy, sell, and warehouse Guaranteed Student Loans.

Other Congressional action further strengthened the Federal role in student assistance. A new program was authorized to provide matching grants for states which choose to increase their appropriations for state scholarship programs for needy students. During committee consideration of this bill, the President asked Congress to provide expanded student aid to veterans, and to encourage greater educational opportunities to returning servicemen. This proposal was accepted, and further incentives were added in the form of payments to institutions enrolling veterans.

*** Institutional Support ***

Complementing these bold actions in the field of student assistance, Congress authorized a major new program of institutional assistance. After lengthy deliberation, the formula chosen for this program was based essentially on the principle advocated by the Administration, that institutions should be aided according to their contribution to the national goal of equalizing opportunities for students.

At the same time, Congress took two additional steps which indicate the complexity and uncertainty which still surround the issue of the Federal

role in assisting higher education. Recognizing that the new formula for general aid will not meet the needs of institutions in critical financial distress, Congress authorized a program of emergency assistance. And Congress established a National Commission on the Financing of Post-Secondary Education, charged with determining the appropriate roles of Federal and State governments in supporting higher education.

Congress also recognized the need for a new Federal role in encouraging and facilitating reform and innovation throughout postsecondary education. The Administration had argued that equalizing opportunity involved more than opening up access to existing institutions and helping them meet their operating costs. It also sought to stimulate nation-wide interest in institutional renewal, and to encourage a new concern for diversity that would match the diversity of needs, abilities, and interests of the incoming students. To this end we proposed a National Foundation for Higher Education, to make grants to help institutions accomplish changes which they themselves felt to be needed.

Congress was reluctant to create a new agency to deal with institutional innovation. However, it provided the Secretary of Health, Education, and Welfare with the authority to make grants for these purposes.

Congress responded to Administration recommendations, and made its own contributions, in a number of other important provisions. It made a historic step toward equal opportunity for women by writing a strong prohibition of discrimination on the basis of sex in employment at all educational institutions, and in admissions at all public undergraduate institutions, vocational, professional, and graduate schools.

To encourage extension of the career education concept throughout the entire educational system, new programs were authorized to support the planning, development, and expansion of community colleges and to help the States infuse career education into elementary and secondary schools as well as post-secondary education.

A new program of Federal insurance of academic facilities loans, proposed by the Administration, was authorized to lower construction costs for nonprofit private institutions.

*** A New Research Effort ***

In submitting his original proposal for the National Institute of Education, the President noted that as a Nation we spend less than one-half of one percent of our educational budget on research, compared with 5 percent of our health budget and 10 percent of our defense budget. He expressed the expectation that NIE, when fully developed, would be an important element in the Nation's educational system, overseeing the annual expenditure of as much as a quarter of a billion dollars.

The NIE was envisioned as a new research institution within the Department of Health, Education, and Welfare, with a Presidentially-appointed Director and a distinguished national advisory council, to undertake a systematic national effort to make education more effective at all levels. It would mobilize the best minds from a variety of disciplines to deal with a range of important problems, from improving compensatory programs to developing broader and more sensitive measurements of learning and ways to employ our technology to greater educational advantage.

Congress has affirmed the need for the Institute and the purposes envisioned for it. In creating the Institute, constructive provisions were added to assure that its findings will not gather dust on scholarly shelves, but will be put to use promptly in our classrooms.

In establishing NIE as a separate agency within HEW the conferees took a further constructive step, endorsed by the Administration. NIE will be a part of a new Education Division headed by an Assistant Secretary for Education with line authority over both the Office of Education and the new research agency. This move to elevate the status of education within the Federal establishment is consistent with the President's broader reorganization proposal for a Department of Human Resources.

*** The Significance of the New Law ***

Simply outlining these new authorities does not begin to describe their significance. Nor does a recitation of their potential funding levels, estimated to total somewhere between $18 and $20 billion. Here a word of caution is in order: the gap between funds authorised and funds appropriated may be very large, particularly in the initial stages of implementing the legislation.

Since the bill became law, a number of stories have appeared in newspapers around the country about how much money a state or an institution may receive as a result. I would urge that all such stories be discounted. They are based on the assumption that all funds authorized will be appropriated--something which never was and never will be. No State or institution will have any idea how much it will receive under the act in FY 1973 until the Administration has submitted a supplemental budget request, the appropriations

committees have considered and amended it, Congress has enacted a supplemental, and the President has approved it. That process will, hopefully, be speeded in the next few weeks, but it could take months.

Expenditures under the act in its first year will, moreover, be further delayed by the need to develop and publish regulations for the new programs. Some of these regulations will require extensive consultation with the higher education community, and before they become final, all must be subjected to public scrutiny and comment for 30 days following publication in the Federal Register. Some programs may be implemented within weeks of final appropriations action--particularly those existing programs which were extended or only slightly amended by Congress. In the case of the new programs, however, the process of developing regulations may be lengthy. Nine separate planning task forces are now at work in the U.S. Office of Education to make the implementation process as prompt and effective as possible. Some of the task forces have early fall deadlines; others will require more time.

So the complex contents of the new law do not tell us all we need to know of its significance. Much will depend on the way the law is implemented--which will depend, in turn, on an unpredictable blending of future leadership from the Executive branch, commitment from the career bureaucracy, oversight from the Congress, and constructive participation from the entire community of higher education.

What more is there to be said of the significance of the new law? Much more, and much that will be discovered in the process of implementation. Take the student aid provisions, for instance. The law requires that the Commissioner of Education shall pay to each student accepted for enrollment in, or in good standing at, a postsecondary institution, a basic grant of $1400, less the

expected family contribution, not to exceed half of the actual cost of attendance at the institution. The existing Educational Opportunity Grants, Work-Study, and loan programs would be available on a supplemental basis to help make up whatever gap remains between the basic grant and actual need.

The complex language of these provisions hardly suggests the profound changes which are embodied here for the entire educational system. For the postsecondary institutions, they mark a shift to a consumer-based approach to student aid: one in which any student who is qualified to attend an institution will be assured of a foundation or basic grant through Federal assistance. Under the law, he will be entitled to that basic assistance. No longer will he be solely dependent on the admissions and student aid officers, whose administration of current aid programs is based essentially on the cost of education at their institution and their personal judgment as to how limited available funds should be divided among a variety of applicants in varying degrees of need. While these programs have compiled a remarkable record in expanding opportunities for higher education, the distribution of funds has not been entirely equitable among applicants in identical circumstances of need, particularly at the lowest end of the income scale.

No longer, however, will a student's chances of attending college be dependent on his "shopping around", hat in hand, to find an institution willing or able to offer the necessary aid. Instead, he will be able to enter any admissions office in confidence that, if he is qualified, and the institution has space for him, his basic Federal grant will be forthcoming. No longer may he have to accept a particular institution, not of his own choosing, because he cannot obtain sufficient aid to meet expenses elsewhere.

Instead, the prospective applicant will have the opportunity to focus his energies on gaining admission to the kind of institution he desires, knowing that his basic Federal grant, and supplemental aids, should enable him to meet the difference between cost and family contribution.

Certainly, these provisions hold major implications for institutional enrollment policies, as well as for the ways admissions and aid officers do business. For years, critics and commentators have speculated on what would happen if higher education was provided under classic free market theories. Now, within a few years, we may know. The stronger expression of buyers' demand should have interesting effects on the supply of academic programs, with possibly significant changes in institutional priorities.

But what of the changes which these new student aid provisions imply for the rest of the educational system? Perhaps the effect may be most significant in the elementary and secondary schools. What can we suppose will be the effect on the classroom teacher who no longer can assume that some of those children will never be able to afford postsecondary education, but sees every pupil as potentially entitled to postsecondary education? How will this affect the quality of teaching? Still more important, how will the certain knowledge of postsecondary opportunities affect the attitude and performance of the average student, the underachiever, and the disadvantaged student? At the least, a revolution will be required in school guidance and counselling services.

We can only speculate, as well, on the implications of a technical change in the law making half-time students, and students in vocational or proprietary postsecondary institutions, equally eligible for all student aid

provisions. But surely this is no mere technical change: it represents a dramatic change in national policy.

For decades, we have proceeded on the assumption that a four-year liberal arts education was to be encouraged. If a student wished to go to college to study history, philosophy, Greek, or whatever full time, our laws have provided that the Nation's taxpayers would help pick up the tab. At the same time, a working man attending college at night, or a high school graduate preferring to learn an honest trade at a business school or some other less-than-collegiate level, had to make it on his own without Federal assistance. In retrospect, it is hard to describe this as sound national policy, and the change is eminently desirable.

What effect will this new policy have on the student? Hopefully he will be able to make sounder career choices, relieved of the pressure to attend college simply because that is what people are expected to do. Hopefully this will mean a strengthened sense of purpose in all postsecondary students, whatever kind of institution they choose to attend.

What of the effect on the institutions and their programs? And what of the effects on our society, when men and women come to be respected and honored for the quality of their work--whatever it may be--rather than for the possession of a piece of parchment from any particular institution?

These student aid provisions, in brief, contain built-in incentives to encourage greater flexibility and diversity throughout the total structure of postsecondary education. Similar incentives are more explicit in other provisions of the Education Amendments of 1972. The new program of grants for improvement of postsecondary education authorizes $75 million by the

third year specifically to support projects designed by the institutions themselves for the following purposes:

"(1) encouraging the reform, innovation, and improvement of post-secondary education, and providing equal educational opportunity for all;

"(2) the creation of institutions and programs involving new paths to career and professional training, and new combinations of academic and experimental learning;

"(3) the establishment of institutions and programs based on the technology of communications;

"(4) the carrying out in postsecondary educational institutions of changes in internal structure and operations designed to clarify institutional priorities and purposes;

"(5) the design and introduction of cost-effective methods of instruction and operation;

"(6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering institutions and pursuing programs of study tailored to individual needs;

"(7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties; and

"(8) the creation of new institutions and programs for examining and awarding credentials to individuals; and the introduction of reforms in current institutional practices related thereto."

Clearly, the design here is to effect far more than piecemeal improvements in the existing structure of postsecondary education.

General institutional support, as provided in the new law, contains still another order of implications. It will not make the difference between failure and survival for those institutions in critical financial difficulty, but, to the extent it is funded, it will provide a broad base of support which should mean significant relief for all institutions. Here, too, there are some built-in incentives, primarily to foster greater opportunities for the disadvantaged.

Since World War II, national policy has encouraged our youth to attend college. In the past decade, with the growth of student aid programs, this policy has resulted in a vastly accelerated growth of enrollments. It has also contributed to the financial crisis of the colleges and universities, by failing to recognize that each additional student imposes an additional cost burden on the institutions. The new law attempts to correct this failure of national policy by providing general institutional aid which institutions may use as they desire. The formula, however, allots the funds on a cost-of-instruction basis, geared to the number of Federally-aided students.

Any formula, of course, is bound to favor some institutions and educational patterns over others. Therefore much of the controversy in the development of the legislation centered around this feature. The formula finally adopted has certain biases which, for the present, can only be noted for later assessment. For example: public institutions, which enroll 74.1 percent of all students, will get 62.8 percent of institutional aid funds. Private four-year institutions will get a relatively larger proportion of the funds than their enrollment, while public universities will receive

proportionately less. Black institutions, both public and private, represent only 2.6 percent of total enrollment, but will receive 7.7 percent of institutional aid. It would appear, then, that application of the formula will tend to promote many of the same general objectives that are apparent in other provisions of the law: namely, the encouragement of diversity and flexibility in the structure of higher education.

I cannot fail to mention the potential importance of the National Institute of Education for higher education. While much of its basic work in the initial stages will undoubtedly be devoted to fundamental problems of learning and compensatory education in the elementary and secondary schools, this new instrument for education research has as its mission the whole of American education. Research is desperately needed to help clarify educational needs and priorities at all levels. And it should be assumed that much of this effort will be mounted by means of grants and contracts with scholars and institutions of higher education.

Each of the major provisions of the law contain themes for several speeches. I shall not try to cite them, except to underscore once again the importance of the occupational education and community college programs, with their authorizations for large-scale support of greater diversity and flexibility in the community of postsecondary education, their potential for according new motivation and respect for the great majority of occupations which do not require and do not need a baccalaureate degree, and their incentives for comprehensive development of postsecondary opportunities through the establishment of State planning commissions. These and other provisions (notably for womens' rights and student aid) have vast potential

for expanding opportunities for all in our society, whatever their age or present occupation.

In closing, I see no need for further justification of my statement at the outset, that the Education Amendments of 1972 comprise the most comprehensive and significant body of higher education legislation in our history. Until now, we have not had anything resembling a coherent national strategy, or an adequate Federal structure, for dealing with the problems of higher education. The Higher Education Act of 1965--the last major building block towards a national policy--provided a variety of assistance through a series of narrow, categorical programs designed to meet the needs of particular interests, rather than the interests of higher education as a whole. In the intervening years the education community has expended a great deal of effort (with little success) to obtain funding for these programs, even though funding them all at full authorization levels would provide only relatively minor assistance to some kinds of institutions, and none at all to others.

Now, however, a remarkable change in the Federal role in higher education has been accomplished. We have moved away from the narrow, categorical approach to a broader base of general assistance for all institutions, which can potentially provide far more effective support for higher education as a whole. Categorical aids will no longer provide the only help, but will play a more appropriate role in supplementing general assistance.

The new act does not solve all of our problems. In fact, it creates some. It retains on the books some unnecessary categorical authorities

which have never been funded. It establishes several new categorical authorities of doubtful priority, which may never be funded. It imposes unnecessary and undesirable limitations on the authority of the Executive branch in several respects, particularly in the way it dictates the organizational structure in which the Office of Education must carry out some of its new responsibilities.

The new act also contains some pitfalls which, could, with insufficient attention, lead to the imposition of unwanted controls on the education community. The so-called "bailout" provision for institutions in critical financial distress is a case in point, for it invites the Office of Education to establish standards by which the Federal government could decide which institutions should survive, and which should be allowed to die. Certain features of the student aid provisions encourage further Federal involvement in the sensitive area of institutional accreditation. The establishment of State planning commissions may restrict the authority of some existing agencies. And the National Commission on Financing Postsecondary Education, with its mandate to define appropriate roles for Federal and State governments, could open the door to further governmental involvement in the decisionmaking process for higher education.

But these potential dangers should be warning enough. Their very existence should serve to alert the education community against unwanted inroads on academic freedom. Undue Federal control is unlikely to occur as long as the academic community is determined to resist it. On this point, Secretary Richardson likes to recall the response of Mr. Justice Holmes when reminded of the famous words of the great Chief Justice John Marshall, that "the power to tax is the power to destroy." Holmes declared: "Not while

this court sits." We need not allow responsibility for education to shift to Federal hands so long as we are determined to preserve institutional autonomy and local control in this country.

We still lack a national policy for the whole of higher education, particularly in the field of graduate education. The Federal establishment has barely begun to consider the impact on colleges and universities of shifts in priorities and funding for its many programs outside the Office of Education--in Defense, NASA, AEC, NIH, and other agencies--which comprise 82 percent of the total Federal outlays for higher education, estimated at $7.4 billion for 1973.

Nevertheless, the foundation for a sound national policy is inherent in the Education Amendments of 1972. The act recognizes, for the first time, the national interest in maintaining a strong and versatile system of postsecondary institutions to meet the educational needs of the entire population. The shaky superstructure of categorical aids has been reinforced by the authorization for general institutional support. A lack of personal funds has been effectively removed as a reason for anyone to be denied whatever level of postsecondary education they may be qualified to seek.

Truly, this is landmark legislation. All the more reason for you to insist on a voice in its implementation, and to maintain watchful oversight of the way in which its provisions are carried out. The extent to which it realizes its vast potential will depend not only on the Executive and Legislative branches of the Federal government, but equally on the higher education community itself.